

Service Area Plan

Department of Business Assistance

Existing Business Services (53424)

Service Area Background Information

Service Area Description

This service area is designed to retain and to assist in the expansion of existing businesses in Virginia, thereby, contributing to the stability and growth of the economy. This program proactively links businesses with the state's 65 business assistance programs and 35 regulatory programs. By assisting business growth, the programs of Existing Business Services facilitate job creation and capital investment in the Commonwealth.

Service Area Alignment to Mission

The mission of the agency is to promote economic growth by helping Virginia business prosper. By maintaining an open line of communication with the existing business community, solving both individual and systemic problems, and providing information and education on subjects of interest to businesses, DBA is contributing to the success of these businesses.

Service Area Statutory Authority

2.2-902.A2 requires DBA to "develop and implement programs to assist small businesses in the Commonwealth in order to promote their growth and the creation and retention of jobs for Virginians." The Code also requires DBA to be the principal point of communications for businesses and to make available basic information and pertinent factors of interest. The Existing Business Services program facilitates information through the Virginia Business Information Center, assists with business growth by opening new state procurement markets, remains directly or indirectly in contact with businesses through the Outreach Program, and is responsible for content and promotion of the state's central business portal.

Service Area Customer Base

Customer(s)	Served	Potential
Local and Regional Economic Development Allies	400	400
New and expanding business establishments	21,500	172,000

Anticipated Changes In Service Area Customer Base

Driven by technology, global competition, improved transportation and a changing workforce, Virginia businesses are changing rapidly. Businesses are moving away from traditional manufacturing and becoming more service oriented. According to Virginia Employment Commission data the number of manufacturers in Virginia has dropped from 6,562 to 6,107 in the last ten years.

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Service Area Products and Services

- Procurement Assistance - Businesses remain competitive and prosper when they have strong sources of revenue. The Commonwealth purchases \$5 billion in goods and services annually and is a potential revenue source for businesses. To help businesses remain competitive and prosper, the DBA is encouraging businesses to sell to the Commonwealth. DBA provides training on eVa registration and the Commonwealth's certification for small, women and minority owned businesses. DBA partners with local business organizations and procurement officers to host educational sessions which include networking opportunities for businesses and procurement officers. In addition, DBA offers a "spend report" service which provides businesses with a customized product list of recent state purchases and includes the procurement officer name and contact information—a prospect list. Staff is also available to help businesses develop a specific company strategy to sell to the Commonwealth.
- Business Outreach Services - DBA solves business problems. Whether dealing with multiple state agencies or market driven road blocks, some businesses need an advocate or a counselor. EBS staff works directly with businesses and assists with a full range of problems. While Virginia Business Information Center handles the majority of our business inquiries via e-mail, telephone or live chat, there are certain issues which merit face to face counseling, extensive research and the coordination of resources. Outreach staff is assigned to these projects. One "packaged" effort that has been replicated in 4 different markets is the Business Assistance Response Team (BART). After receiving a VEC warn notice of a workforce reduction of a major employer in a particular market, DBA hosts an event for the remaining business community to insure that they know about available resources that will help them survive and grow.
- Information services - DBA is the source for business information for the Commonwealth. Through numerous allies, we disseminate both DBA and other information pertinent to businesses. Outreach staff markets the agency and state business resources. EBS manages the content on the Agency's website and distributes the agencies promotional materials at conference/seminars/ other events. EBS distributes information directly to businesses at conferences and seminars and indirectly through its partners (Chambers, local Economic Developers, etc.) . EBS wants businesses and partners with questions to call VBIC and staff will respond accordingly.

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Factors Impacting Service Area Products and Services

eVA registration and small, women and minority owned business certification improves a businesses chances to sell to the Commonwealth. Currently, the Commonwealth has 31,898 vendors registered in eVa and 5,791 certified small, women and minority owned business. Based on a total universe of business establishments of approximately 172,000. DBA has more demand for our procurement assistance product than we have resources to deliver. While we have 2 people dedicated to this product, our staff can not keep up with requests for educational seminars and direct assistance.

The procurement and certification processes are controlled by other state agencies. While we understand the many business concerns that have arisen about the ease of working with eVa and the certification process, we are totally dependent on other agencies to make improvements. Our product educates business' on the end to end process but can not make the process easier.

In late 2003, a Disparity study was completed and showed historical underutilization of Small, Women and Minority owned businesses. The current administration is encouraging SWAMs to consider state procurement and asking procurement officers to get their SWAM utilization numbers up. These two confluences are driving the demand for more businesses to learn about the state's procurement process.

Businesses are operating in a fast paced environment. They want a fast, efficient way to get their questions answered or to get connected with needed resources. By offering a toll free phone line, email address and live chat service VBIC is a great delivery channel for services to businesses.

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Anticipated Changes To Service Area Products and Services

As businesses become proficient in using existing tools available to help them sell to the Commonwealth, DBA is developing the next generation of services that will improve business access to the state's procurement needs. DBA will establish a match making service and assist in the development of electronic product catalogues. The match making service will require the identification of particular product needs of the state and the coordination of multiple suppliers already eVa registered and potentially SWAM certified. The establishment of electronic product catalogues will increase competitiveness since disproportionate amounts of purchases are currently run through the 1000 vendors who have catalogues on eVA.

DBA will publish a procurement newsletter for businesses, procurement officers and service providers. This newsletter will be the single voice of communication with all stakeholders and will bring buyers and sellers together. The newsletter will be electronic and will be distributed via e-mail and posted on our website.

DBA's website will undergo continued change to meet the needs of the business community. Links are monitored frequently, events updated daily and new information included. With the expected creation of the State's Central Business Portal, DBA's website will play an even bigger role in communicating information to businesses.

Department staff has introduced the Agency to over 50,000 businesses in FY 2005. Our staff has noted that many Virginia businesses are not utilizing the most up-to-date technology, nor are they fully leveraging the internet to promote and expand their business. The Department of Business Assistance is working to understand what role the state should play in this transformation..

As business needs change and new administrative initiatives are introduced, the need for a dynamic organizational structure is apparent. The Department of Business Assistance's outreach team will incorporate a new project management model which allows resources to be easily identified and directed to specific and changing business initiative. Supporting the Small Business Initiative, organizing a Business Resource Fair in a distressed market, working on BRAC Commission impacts, or surveying Southwest Virginia companies will be assigned to the outreach team as they surface. This will help set priorities and clear direction for the Department of Business Assistance and the existing outreach effort.

Service Area Financial Summary

The current expense run rate for personnel dedicated to this program is 572,766. As we consider continued penetration of these programs into the business community, we will need to add an additional Procurement Assistance Manager, change the website's technical platform to allow more flexibility for posting updated information, improved telephone equipment for VBIC and increased marketing in certain markets.

	<u>Fiscal Year 2007</u>		<u>Fiscal Year 2008</u>	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$572,721	\$0	\$572,721	\$0
Changes To Base	\$172,251	\$0	\$97,251	\$0
SERVICE AREA TOTAL	\$744,972	\$0	\$669,972	\$0

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Service Area Objectives, Measures, and Strategies

Objective 53424.01

To grow the revenues of small, women and minority businesses by providing assistance and training that will improve their ability to sell to the state.

The economic vitality of any business can be improved by tapping into new markets and increasing sales. One source of stable business revenue has been government contracting/procurement. While the positive impact of federal contracts on Virginia businesses is widely appreciated (especially in NOVA), EBS is encouraging business to consider selling to the state as a potential new market. Given the complex process for selling to the state and the limited resources of many Small, Women and Minority owned businesses, EBS makes information, training and technical assistance available to all businesses.

This Objective Supports the Following Agency Goals:

- Improve the chance of business success by increasing the awareness of available services to Virginia businesses through the delivery of informational seminars, trade show exhibits, newsletters, website management and strategic public relations.

This Objective Has The Following Measure(s):

● **Measure 53424.01.01**

Percent of contract dollars received by small, women and minority businesses.

Measure Type: Outcome **Measure Frequency:** Quarterly

Measure Baseline: 12.63 percent (3rd quarter FY05)

Measure Target: 15 percent (FY07)

Measure Source and Calculation:

Data compiled by DMBE from Cars and Amex System.

Objective 53424.01 Has the Following Strategies:

- Conduct eight basic procurement training session targeted at SWAM business.
- Conduct five advanced training sessions targeted at SWAM business.
- Partner with procurement officers to inform vendors of state resource that will improve their success rate when selling to the Commonwealth.
- Circulate an issues oriented quarterly, electronic procurement newsletter to all procurement stakeholders.
- Provide direct procurement assistance to 1,000 businesses.

Objective 53424.02

To be the principal point of communication between state government and business and industry in the Commonwealth for business solutions.

Virginia code establishes DBA as the principal point between state government and businesses in the commonwealth. As such, EBS spearheads an outreach program to communicate topics of interest and through which to gather feedback. Based on the diversity of needs caused by geography, industry type, market infrastructure and technological receptivity, a variety of outreach methods are appropriate for effective communication.

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This Objective Supports the Following Agency Goals:

- Enhance the positive business climate in Virginia by solving business problems through the delivery of services provided through the Virginal Business Information Center, existing business outreach team, procurement assistance and incubator program.

This Objective Has The Following Measure(s):

- **Measure 53424.02.01**

Number of business problems solved.

Measure Type: Output

Measure Frequency: Annually

Measure Baseline: 9,803 (FY05)

Measure Target: 10,000 (FY07)

Measure Source and Calculation:

Data is recorded by Project Managers weekly and entered into monthly reports

Objective 53424.02 Has the Following Strategies:

- Contact each local and regional economic development office to communicate the services of the department and monitor the product needs of the economic development community.
- Host three Business Assistance Response Team events in distressed markets of the state.
- Analyze six emerging business issues and publish a report with recommendations.
- Work with companies referred by VBIC, the Administration, and other allies to solve business problems.
- Assist businesses with accessing state procurement market.

Objective 53424.03

To be THE resource for business information in the Commonwealth.

This service area will contribute to the positive business climate in Virginia and the success of the business community by delivering the state's repository of business information on assistance and regulatory programs in a coordinate and easily accessible fashion.

This Objective Supports the Following Agency Goals:

- Provide marketing incentives for new and expanding Virginia businesses to create job opportunities by offering consulting services, recruiting, retaining, and funding assistance.
- Enhance the positive business climate in Virginia by solving business problems through the delivery of services provided through the Virginal Business Information Center, existing business outreach team, procurement assistance and incubator program.

This Objective Has The Following Measure(s):

- **Measure 53424.03.01**

Number of website unique visitors.

Measure Type: Output

Measure Frequency: Monthly

Measure Baseline: 180,000 (FY05)

Measure Target: 216,000 (FY07)

Measure Source and Calculation:

Monthly web trends report supplied by the American Eagle, the website host.

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- **Measure 53424.03.02**

Number of businesses contacting the Virginia Business Information Center.

Measure Type: Output

Measure Frequency: Annually

Measure Baseline: 14,773 (FY05)

Measure Target: 15,000 (FY07)

Measure Source and Calculation:

Telephone, e-mail and live-chat contacts are recorded by agency staff and compiled in weekly report.

Objective 53424.03 Has the Following Strategies:

- Promote contact with the Virginia Business Information Center as the gateway to all state business services.
- Through the agency's marketing materials and division's calling efforts, promote contact with the Virginia Business Information Center as the gateway to all state business services
- Working with VIPnet, assist in enhancing the business portal capabilities on the State's website. Staff the live chat function on the new business portal.
- Offer VBIC services to assist Legislators with constituent's business needs.
- Continue to channel initial VSBFA financial inquiries into VBIC.